
**COMMUNITY SERVICES
BLOCK GRANT**

U.S. Department of Health and Human Services
Administration for Children and Families
Office of Community Services
Division of State Assistance
370 L'Enfant Promenade, S.W.
Washington, D.C. 20447

Information Memorandum

Transmittal No. 135

Date: June 4, 2014

To: State Community Services Block Grant Directors, State Comptrollers, U.S. Territories, Native American Tribes and Tribal Organizations, Community Action Agencies, Community Development Corporations, and other non-profit organizations receiving Community Services Block Grant (CSBG) funds.

Subject: Use of CSBG Funds to Meet Matching Requirements for Department of Housing and Urban Development (HUD) McKinney-Vento Homeless Assistance programs.

Background: This guidance addresses whether Federal CSBG funds can be used to match the Homeless Assistance grants under the McKinney-Vento Homeless Assistance Act, including (1) the Emergency Solutions Grant (ESG) program as authorized under subtitle B of title IV, as amended; (2) the Continuum of Care program as authorized under subtitle C of title IV; (3) the Rural Housing Stability Assistance program as authorized under subtitle D of title IV; (4) the Supportive Housing program as formerly authorized under subtitle C of title IV (regulations at 24 CFR part 583); and (5) the Shelter Plus Care program as formerly authorized under subtitle F of title IV (regulations at 24 CFR part 582).

Related

References: Community Services Block Grant (“CSBG”) Act of 1998, 42 U.S.C. § 9901 *et seq.*; Omnibus Appropriations Act, 2009, Pub. L. No. 111-8, 123 Stat. 524, 962; Consolidated Appropriations Act, 2010, Pub. L. No. 111-117, 123 Stat. 3034, 3086 (2009); Section 1101 of Division B of the Department of Defense and Full-Year Continuing Appropriations Act, 2011, Pub. L. No. 112-10, 125 Stat. 38, 102; Consolidated and Further Continuing Appropriations Act, 2012, Pub. L. No. 112-55, 125 Stat. 552, 685 (2011); Section 1101 of Division F of the Consolidated and Further Continuing Appropriations Act, 2013, Pub. L. No. 113-6, 127 Stat. 198, 412; Consolidated Appropriations Act, 2014, Pub. L. No. 113-76, 128 Stat. 5, Subtitle B of Title IV of the McKinney-Vento Homeless Assistance Act, as amended (the “Act”), 42 U.S.C. § 11371 *et seq.*; Subtitle C of Title IV of the Act, 42 U.S.C. § 11381 *et seq.*; Subtitle D of title IV of the Act, 42 U.S.C. § 11408 *et seq.*; HHS Block Grant Rules, 45 C.F.R. Part 96; Emergency Solutions Grant Program Rules, 24 C.F.R. Part 576; Continuum of Care Program Rules, 24 C.F.R.

Part 578; Supportive Housing Program Rules, 24 C.F.R. Part 583; and Shelter Plus Care Rules, 24 C.F.R. Part 582.

Guidance: In general, funds from one Federal program may not be used as matching funds for another Federal program, unless explicitly allowed by statute. Recent appropriations acts have included a provision authorizing grantees under HUD’s McKinney-Vento Homeless Assistance Act programs to use other Federal funds as match unless prohibited by the statute of the other program. This authorization, which has been included in appropriations legislation every year since FY 2009, provides that grantees under the McKinney-Vento Homeless Assistance programs mentioned above “may use (or could have used) as a source of match funds other funds administered by the Secretary and other Federal agencies unless there is (or was) a specific statutory prohibition on any such use of any such funds” (*see, e.g.* Consolidated and Further Continuing Appropriations Act, 2012).

Upon review of the CSBG Act, we have determined that the Act does not contain a prohibition on the use of CSBG funds as match for the McKinney-Vento Homeless Assistance programs. While the Office of Management and Budget (OMB) guidance on cost principles (and associated OCS guidance in [CSBG IM-37](#)¹) applies to CSBG-eligible entities and might generally preclude eligible entities from using Federal funds as a match, the guidance does not override the clear and current intention of Congress to allow HUD McKinney-Vento Homeless Assistance grantees to use Federal funds (such as CSBG) as match. To the extent that the OMB and OCS guidance conflict with Federal statute, the statute must control over a contradictory regulatory or policy requirement.

Any CSBG funds used for matching the Homeless Assistance programs, however, must be used for CSBG purposes and in accordance with the CSBG requirements and the requirements of the program they are matching. Further, the Federal CSBG funds may be used as a match only as long as the McKinney-Vento Homeless Assistance Act appropriation language allowing it is in force, and the CSBG Act does not explicitly prohibit it.

In keeping with requirements of the CSBG Act, funds must be used for allowable activities that must be based on community needs assessments; included in local CSBG plans; and conducted consistent with all established administrative, programmatic, and performance reporting procedures for CSBG funds within the State.

OCS encourages collaborative planning between CSBG-eligible entities and other homeless service providers to assure the most innovative and effective uses of CSBG funds to address a comprehensive array of housing, employment, and other supportive services. In support of this work, OCS is collaborating with the

¹ CSBG IM-37 “Definition and Allowability of Direct and Administrative Costs,” published May 31, 1997.

Community Action Partnership in the development of a CSBG learning community on effective practices for decreasing family homelessness, which is part of the [Learning Communities Resource Center](#).

OCS's position in this IM does not modify the requirements of OMB guidance for CSBG-eligible entities or CSBG IM-37 "Definition and Allowability of Direct and Administrative Costs," nor does it change the responsibility of eligible entities to meet these requirements.

If you have questions about this guidance, please contact your assigned OCS CSBG program manager.

Thank you for your ongoing commitment to assisting low-income families and communities.

_____/s/_____
Jeannie L. Chaffin
Director
Office of Community Services